



LISA MADIGAN
ILLINOIS ATTORNEY GENERAL

Things You Should Know About...PHONE SCAMS

Telephone fraud takes many forms, ranging from illegal campaigns to switching consumers' long distance phone carriers to sales pitches offering valueless products or phony securities. Familiarizing yourself with some common telephone scams may lower your risk of becoming a victim of telephone fraud.

What is Slamming?

Slamming occurs when long distance companies use illegal marketing or promotional campaigns to switch consumers' long distance service without their full knowledge and consent.

The Federal Communications Commission allows long distance companies to solicit new customers via telemarketing if they adhere to specific rules. But some dishonest long distance companies and/or marketing firms may commit fraud by:

- switching your service without written or oral authorization;
- representing themselves as your current long distance carrier and then switching the carrier without your knowledge;
- switching carriers anyway after you've already said no; or
- illegally combining documents which authorize a change in long distance service (known as Letters of Agency) with promotional material, such as contest entry forms or charitable solicitations.

Always check your phone bill carefully to see if...

- The name of your long distance carrier has changed.
- There is a charge to change the long distance service provider listed on your phone bill.

For your protection, consider instituting a PIC Freeze. To institute a PIC Freeze, you must complete and sign a written document instructing your local telephone company not to change your long distance carrier without your authorization. PIC Freeze forms may be obtained from your local telephone company.

Common Telephone Scams

Prize Offers

Before receiving your "free" prize you usually have to attend a sales presentation, buy something, pay "taxes" or freight charges, or give out a credit card number. The prizes are often worthless or overpriced or the presentation is actually an intensive sales pitch.

Travel Package

"Free" or "low-cost" vacations often end up costing more than a similar package from a reputable travel agent. Often the free or low-cost portion is only part of a hotel/air package that requires you to purchase the rest of the package at full retail price or more. Furthermore, disreputable companies may take your money and disappear before issuing tickets or hotel vouchers.

Vitamins and other health products

These sales pitches may also include a prize offer to entice you to pay hundreds of dollars for products that are worth very little.

Investments

People lose millions of dollars every year in “get rich quick” schemes that promise high returns with little or no risk. These “investment opportunities” often turn out to be worthless or worth much less than you paid.

Charities

Con artists often label their phony charities with names that sound like well-known, reputable organizations. Ask whether the solicitor is a professional fund raiser, and if so, how much of the donation actually goes to the charity. Ask for this information in writing.

Recovery Scams

If you get taken in any of the above scams, you’re likely to be called again by someone who promises to get your money back. But even law enforcement officials can’t guarantee to recover your money, and sometimes the people making the offer are affiliated with the people who scammed you the first time.

More Tips

- Never give your credit card number over the phone if you did not initiate the call.
- Ask the caller the name, address and phone number of the company or charity they are calling on behalf of. Check them out with the Better Business Bureau or other consumer agencies before agreeing to anything. To find out if a charity is registered check with the Attorney General’s Charitable Trusts Bureau at 312-814-2595 (TTY: 800-964-3013).
- Be wary of callers who try to intimidate you into making a quick decision or ask you to “act immediately.”

Office of the Illinois Attorney General

www.ag.state.il.us

Chicago
(800) 386-5438
TTY: (800) 964-3013

Springfield
(800) 243-0618
TTY: (877) 844-5461

Carbondale
(800) 243-0607
TTY: (877) 675-9339